



State of Utah

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*Executive Secretary*

April 28, 2010

Ms. Alysén Pedersen, Mine Geologist  
Palladon Iron Corporation  
6249 West Gilbert Industrial Court  
Hurricane, UT 84737

Dear Ms. Pedersen:

Subject: Ground Water Discharge Permit by Rule for Transfer of Ground Water

The Division of Water Quality has reviewed your April 12, 2010 letter requesting Permit by Rule to transfer ground water that has naturally accumulated in an open pit to another open pit in order to provide access for drilling. Both pits are in close proximity to one another and are owned and controlled by Palladon. There is little or no iron-bearing rock in the receiving pit and the pit walls consist of quartz monzonite, the Homestake Limestone member of the Carmel Formation, and the Navajo Sandstone. Based on analytical results of a pit water sample, this water would be classified as Class II Drinking Water Quality Ground Water with a total dissolved solids (TDS) concentration of 760 milligrams per liter, a pH of 8.29, and other analytes well below Utah Ground Water Quality Standards. Based on these data, this discharge will have a *de minimis* actual or potential effect on ground water quality and will not cause ground water to exceed ground water quality standards or the applicable class TDS limits. Therefore, the request for ground water discharge Permit by Rule is approved.

Please be advised that an application for a ground water discharge permit may be required by the Executive Secretary for any discharge permitted by rule under R317-6-6.2 if it is determined that the discharge may be causing or is likely to cause increases above the Ground Water Quality Standards or applicable TDS limits under R317-6-3 or otherwise interfere with probable future beneficial uses of ground water.

If you have any questions, please contact me at [rherbert@utah.gov](mailto:rherbert@utah.gov) or (801) 536-4350.

Sincerely,

Rob Herbert, P.G., Manager  
Ground Water Protection Section

Cc: Paul Wright, SW District Engineer  
SW Utah Public Health Department  
Paul Baker, DOGM

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APR 29 2010

Div. of Oil, Gas & Mining